

CALNET II RFP DGS-2053 Question and Answer Set #3
November 24, 2004

The answers contained in this Question and Answer Set are a continuation of responses to the questions presented by vendors to be addressed at the bidders conference and, like Q&A Set #2, are not all inclusive. Additional answers to questions submitted for the bidders conference will be issued as responses are developed.

- 1-1. 1.5 & 2.2.10, Changes Regarding the Solicitation: There appears to be a conflict between Section 1.5 which has the "last day to protest RFP requirements" on December 28, 2004 and Section 2.2.10 which has "five business days are allowed to submit an initial protest" as a part of the Intent to Bid which is submitted January 11, 2005. Please clarify.

Answer: As per the Key Action Dates, Section 1.5, and in accordance with Section 2.2.7, Changes Regarding the Solicitation, bidders will be allowed an opportunity to request changes to the RFP requirements. The State will respond to change requests in a timely fashion. Bidder's are then allowed a minimum of 5 days after the State's response to file an Initial Protest. Furthermore, in accordance with Section 2.2.11, Addenda, bidders are allowed 5 days after release of an addendum to file an Initial Protest to the Addendum.

- 1-2. 1.5, Key Action Dates: We are currently reviewing the RFP to determine potential requests to change the RFP. However, if DGS intends to release an amended RFP as a result of the Bidders Conference questions (or the conference itself)—after the December 2 conference—this would leave very little time in which to submit final RFP change requests, which are due on December 9, 2004. Does DGS intend to amend the RFP and/or provide Questions and Answers between the Bidder's Conference and December 9? If so, would DGS be willing to amend the deadline for submission of RFP requirement changes to allow sufficient time to incorporate potential changes in our analysis for submitting RFP changes?

Answer: To allow more time, the Key Action Dates will be modified with a future addendum to extend final dates for items 4, 5, and 6 out by one week.

- 1-3. 1.5, Key Action Dates: When will answers to written questions submitted 11/17/04 be provided and when will responses to requests for changes to RFP requirements submitted by 12/9/04 be provided?

Answer: The State will attempt to answer all questions prior to the bidder's conference as time permits. As stated in 1-2 the Last Day to Submit Requests to Change the RFP Requirements will be extended by one week via addendum to 12/16/04. The State will then provide responses to Requests to Change the RFP Requirements by 12/28/04.

Bidders will subsequently be allowed until 01/05/05 to file an Initial Protest to the RFP Requirements.

- 1-4. 1.7, Intent to Bid: *“Only those Bidders acknowledging interest in this RFP will receive additional correspondence regarding this procurement.”* Does this statement mean that no addendums or the affects of any requests to change the requirements will be posted or distributed after January 11, 2005?

Answer: No. Addenda may be released and posted up until the submission of the Final Proposal. Requests to change the requirements will not be posted or distributed.

4. Proposed Environment

- 4-1. 4.2 State Vision: The State’s wants increase diversity and competition that would lead to lower prices, more customer choices, and the capability to obtain and rapidly deploy new technologies. It is also mentioned “This may include other contracts for services besides CALNET II”. Please describe the process for bidding and awarding the “other contracts”. Is it a consideration of the State to break this RFP into two or more contracts to enhance competition?

Answer: It is the intent of the State to meet its objective through one service contract. However, if business requirements cannot be met, the State will exercise its option to obtain additional services through established State acquisition processes.

- 4-2. 4.2 State Vision: The California State Information Technology Strategic Plan, submitted by Clark Kelso, State CIO to Governor Arnold Schwarzenegger includes a plan to create a Department of Technology Services. If the creation of this organization is realized during the CALNET II contract, how will the evaluation of emerging technologies change?

Answer: The impact of proposed changes in state IT strategy and organization is unknown. In evaluating emerging technology, the state will comply with state acquisition policies.

- 4-3. 4.2, third bullet: DGS states that “Where feasible, multiple contractors should provide increased diversity and competition that would lead to lower prices, more customer choices, and the capability to obtain and rapidly deploy new technologies.” The supplier wholeheartedly concurs with this observation. In light of this statement can the DGS clarify why they have chosen to award this contract as a sole-source award?

Answer: This is not a sole-source award. Services identified in RFP DGS-2053 are being obtained through established State competitive acquisition processes and will be awarded to a single prime contractor who meets the State’s minimum requirements and is selected using the criteria described in Section 9, Evaluation Proposal, of the RFP.

- 4-4. 4.3.1, Major Objectives: could DGS clearly define the scope and definition of the “consultative business assistance” requirements listed in the RFP? Please

explain how the prime contractor, its affiliates, or subcontractors would be expected to meet the requirements of planning, selecting, applying, and cost effectively using contract services?

Answer: The Contractor is expected to provide assistance to customers in the effective business use and practical application of contract services. Refer to RFP Section 6.11, End User Support, for more detail.

- 4-5. 4.3.1, Major Objectives: Bullet #7 - Can you describe what types of projects would require tracking and reporting?

Answer: Examples of projects may include, but are not limited to major conversions, complex service implementation, network upgrades, and Individual Case Base services. See also RFP Section 6.13.3, Contracted Service Project Work.

- 4-6. 4.3.1, Major Objectives: Is DGS/TD interested in enhanced network management, billing, and operational analysis tools to help manage the day-to-day administration of a complex network?

Answer: Refer to RFP Section 6.17, Management Tools and Reports.

- 4-7. 4.3.1, Major Objectives: 4th bullet - "Non-exclusive contract model, where the contractor is given the opportunity to provide competitive pricing before obtaining services from alternative suppliers." If CALNET II is not exclusive/non mandatory and the State exercises it's right to procure services outside of CALNET via the exemption process, how will the service be integrated into the single prime provided network?

Answer: Services that are obtained outside the CALNET II contract will not be the responsibility of the Contractor but any necessary integration with carrier services will be consistent with industry standards.

- 4-8. 4.3.1, Major Objectives: 5th bullet - "Establish contract amendment criteria and processes to enable the contract to be modified expeditiously to add new service/features, reduce rates, or change other terms and conditions." What will be the State's process for adding new technologies and services to CALNET II? Will the CALNET II contract be the first choice for adding new telecommunication technology and services?

Answer: The State will comply with established Procurement Division policies and procedures for amending contracts. CALNET II will be the preferred choice for adding features or enhancing existing contract services that are consistent with contract scope and state procurement requirements.

- 4-9. 4.3.1, Major Objectives: 9th bullet - "Continued support of Federal Universal Service Fund programs that assist qualified schools and libraries in obtaining cost effective telecommunications services." The RFP does not address the California Teleconnect Fund (CTF), was this intentional?

Answer: Refer to RFP Section 6.2.3, Regulatory Taxes, Fees, and Surcharges.

- 4-10. 4.3.1, Major Objectives: 10th bullet - "Billing invoice systems used by the contractor and/or affiliates and subcontractors will provide the same invoice format and detail and will not list non-contract service items. Any request by customers for special invoice requirements will be pre-approved by DGS/TD." What is meant by same invoice format and detail? How will billing for Non State Agencies, that may only use CALNET II for part of their service, be accomplished? What if we have services that cannot be contracted, due to Regulatory reasons, but are tied to a service that is part of CALNET II?

Answer:

- 1. Any subcontractor must provide the same billing format as the prime contractor.**
- 2. Customers would receive separate invoices, one for contracted services and another for non-contracted services.**
- 3. The State would consider using one invoice that contains both contracted and non-contracted services as long as the Contractor clearly identifies the two.**

5. Administrative Requirements

- 5-1. 5.1, Public Work Requirements: What classes of labor will apply under a contract resulting from this procurement?

Answer: The state cannot speculate on what classes of labor will be required to enable the contractor to meet its obligation. The state expects the contractor to comply with the California Labor Code.

- 5-2. 5.3, Bidder Responsibility: How will "Appropriate staff resources" be deemed acceptable? Will this be expanded upon?

Answer: Refer to RFP Section 9.5.3.2, Proposal Evaluation, Bidder Responsibility.

- 5-3. 5.7, Disabled Veteran Business Enterprise (DVBE) Participation Requirement: Assuming that the CalNet procurement is approximately \$300 million dollars over 5 years. The annual expenditure would be approximately \$60 million dollars. If this is the case and we were to bid as the only (DVBE) to a prime that would mean that the 3% would be \$1.8 million dollars annually. Does the State believe there are DVBE's that could provide that level of service?

Answer: The State will evaluate the responsibility of all bidders, whether prime contractors or subcontractors to determine their capability to perform the contract requirements. The State will not speculate as to the responsibility of firms that perform telecommunications work in advance of a bid response to a solicitation as it would be inappropriate in a competitive bid for the State to have any preconceived judgments.

- 5-4. 5.7, Disabled Veteran Business Enterprise (DVBE) Participation Requirement: If the prime vendor were to put together a consortium of Disabled Veteran Business for the duration of the project, the project could sustain significant risk. The risk would be managing and coordinating multiple DVBE's. How would the State view the risk of using multiple DVBE's?
- Answer: In any contract with a prime contractor and subcontractors, the prime contractor is responsible for contract performance and for managing the subcontractors it selects. For this reason, the State reserves the right to approve any proposed subcontractor to ensure that the quality of the performance expected from the prime contractor is not compromised by the selection of a subcontractor.**
- 5-5. 5.11(4), Subcontractors: What are the types of business discussions that are envisioned? Since the prime contractor will be jointly and severally liable, will the prime be included in these discussions?
- Answer: The state cannot anticipate the nature of discussions. It is not the state's intent to circumvent the prime contractor, but it does reserve the right to communicate directly with subcontractors to facilitate contractual/services issues as needed.**
- 5-6. 5.16, Exhibit 5-H: If the bidder already has a certification filed with the State should they submit Exhibit 5-H?
- Answer: Yes. The bidder must comply with the requirements of the RFP DGG-2053.**
- 5-7. 5.23, Other Administrative Requirements: The RFP states that "all replacement equipment offered must be new and the latest model in current production", but goes on to say that "there would be an exception for replacing State owned equipment at no cost. In such cases of exception the equipment may be used". For "replacement" when is new required and when is used acceptable?
- Answer: Used equipment is acceptable where approved by the state and no charges are incurred. For replacement equipment where the customer is incurring all costs, such equipment must be new and the latest model in current production.**